

Commercial and Investment

Finance and Performance Report – May 2017

1. SUMMARY

1.1 Finance

Previous Status	Category	Target	Current Status	Section Ref.
N/A	Income and Expenditure	Balanced year end position	Green	2.1 – 2.4
N/A	Capital Programme	Remain within overall resources	Green	3.2

1.2 Performance Indicators – Current status (see section 4):

Monthly Indicators	Red	Amber	Green	Total
May (Number of indicators)				1

2. INCOME AND EXPENDITURE

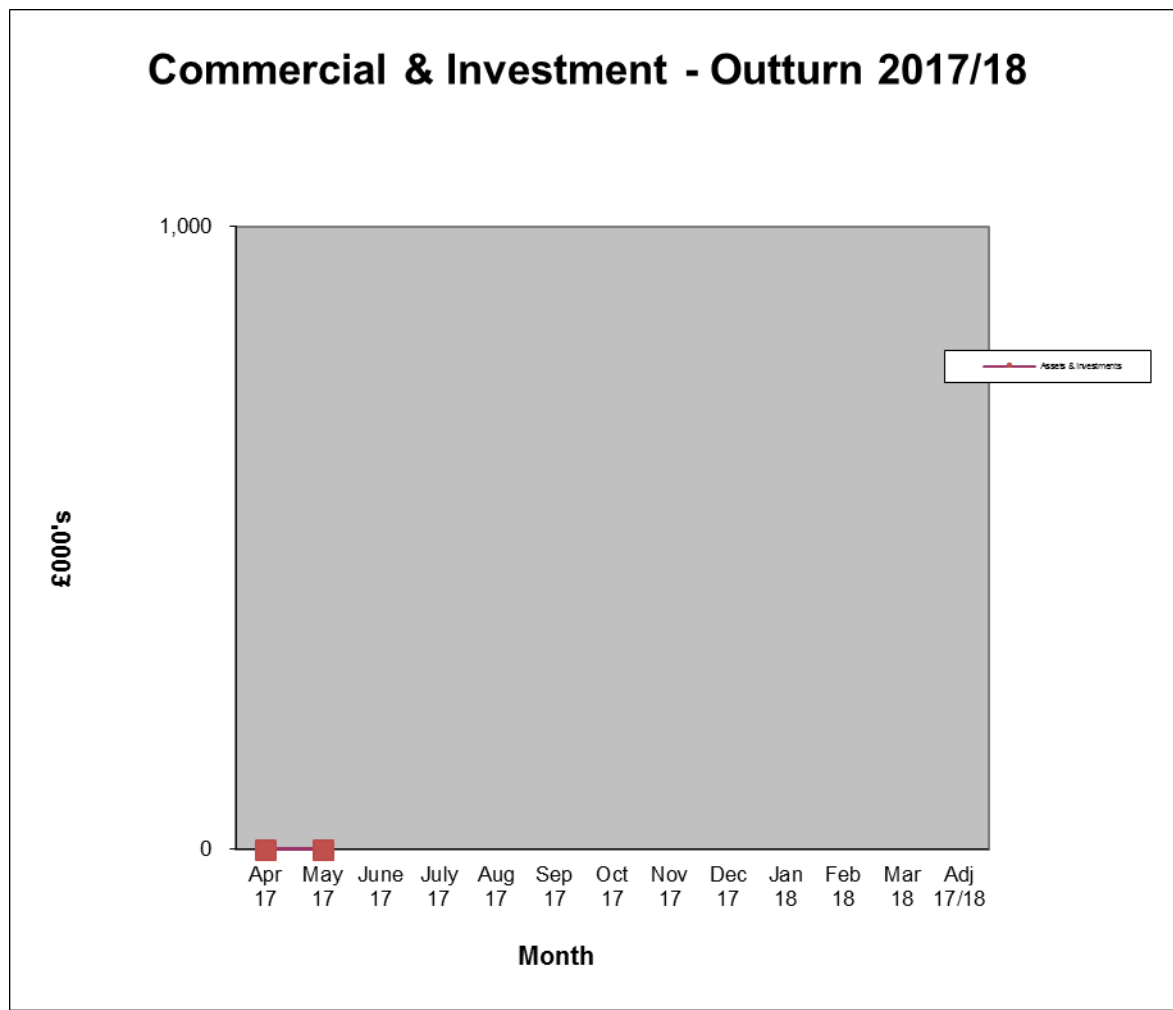
2.1 Overall Position

Original Budget as per BP ¹	Directorate	Current Budget	Forecast Variance - Outturn (April)	Forecast Variance - Outturn (May)	Forecast Variance - Outturn (May)	Current Status	DoT
£000		£000	£000	£000	%		
2,702	Commercial & Investment	2,694	0	0	0	Green	↔
2,702	Total	2,694	0	0	0		

¹ The budget figures in this table are net, with the 'Original Budget as per BP' representing the Net Budget column in Table 1 of the Business Plan.

The service level budgetary control report for Commercial and Investment Committee for May can be found in [C&I appendix 1](#).

Further analysis of the results can be found in [C&I appendix 2](#).



2.2 Significant Issues – Commercial and Investment

- Commercial and Investment Committee is currently predicting a break-even position at year-end.
- There are no exceptions to report for May month-end.

**2.3 Additional Income and Grant Budgeted this Period
(De minimis reporting limit = £30,000)**

There are no additional grant or income items to report for May.

**2.4 Virements and Transfers to / from Reserves (including Operational Savings Reserve)
(De minimis reporting limit = £30,000)**

The following virements have been made this month to reflect changes in responsibilities.

	£	Notes
Transfer from CS to C&I	5,465	Apprenticeship Levy
Transfer from CS to ETE	-57,765	Energy Team transfer
Non material virements (+/- £30k)	0	

A full list of virements made in the year to date for Commercial and Investments can be found in [C&I appendix 4](#).

3. BALANCE SHEET

3.1 Reserves

A schedule of the Commercial and Investment reserves can be found in [C&I appendix 5](#).

3.2 Capital Expenditure and Funding

Expenditure

- The capital programme figures include a revised Capital Programme Variations target, which effectively reduces the programme budget. This budget is forecast to be fully achieved at this stage, but as forecast underspends start to be reported, these will be netted off against the forecast outturn for the variation budget, resulting in a forecast balanced budget up until the point when slippage exceeds the variation budget.
- Commercial and Investment Committee has a capital budget of £115m in 2017/18 and there is £0.5m spend to date. It is currently expected that the programme will be in balance at year-end, and there will be £0 total scheme variances over the lifetime of the schemes.
- The Housing Scheme budgets reflect the proposals included in the Business Plan 2017/18. The CHIC financial model is currently under review and any changes will be reported when further information becomes available.
- There are no exceptions to report for May.

Funding

- Commercial and Investment Committee has capital funding of £115m in 2017/18, which incorporates the following funding adjustments:
 - £1.1m funding for schemes carried-forward from 2016/17;

- A reduction of £1.3m in respect of Housing Scheme funding which was brought forward from 2017/18 to fund expenditure in 2016/17.
 - £133k increase in the Capital Variation budget.
- Commercial and Investment Committee is asked to consider and approve the carry forward of funding from 2016/17 into 2017/18 for the following schemes:

Scheme	£000	Notes
County Farms Viability	121	Carry forward £121k re Bettys Nose & Whitehall farm shop.
OtherCommitted Projects - K2	20	Roll forward balance of K2 funding (£20k) to fund continuing work on CCC implementation
Soham Solar Farm	775	Final network and construction costs of £315k and a retention payment of £460k are due in 17/18.
Office Rationalisation	200	Ongoing work on office rationalisation, moves and co-location projects - including Sawtry, Hill Rise, Shire Hall, Hereward Hall, Buttsgrove, Scott House/Stanton House and Meadows closure.
	1116	

- The Capital Programme Variations target included in the Business Plan has been updated based on 2016/17 slippage and to allow for other funding sources in addition to borrowing. The Capital Programme variation target reduces the overall capital budget, resulting in a reduced funding requirement.
- As reported above, the budget is expected to be in balance at year-end, with the expectation that this funding will continue to be required in line with the original budget proposals.

A detailed explanation of the position for Commercial and Investments can be found in [C&I appendix 6](#).

4. PERFORMANCE

4.1 The table below outlines key performance indicators for Commercial and Investments.

Note - following the recent CCR restructure a new indicator set is under development that will better reflect the work undertaken by the new corporate directorate. It is envisaged that this work will be completed for the next reporting period.										
Measure	Reporting frequency	What is good	Unit	Data last entered	Time period covered	Target	Actual	RAG Status	Direction of travel	Comments
Strategy and Estates – farm estates income demanded and collected on time	Half-yearly	High	%	28/07/16	1 January - 31 March 2016 (Q4)	95% (£3.9m gross)	99.0%	G	↑	Awaiting data

A&I APPENDIX 1 – Commercial and Investment Budgetary Control Report

The variances to the end of March 2017 for Commercial and Investment are as follows:

Original Budget as per BP £000	Service	Look up	Current Budget for 2017/18 £000	Forecast Variance - Outturn (April) £000	Forecast Variance - Outturn (May) £000	Forecast Variance - Outturn (May) %
<u>Commercial & Investment</u>						
1,111	Building Maintenance	BM	1,087	0	0	0
-4,404	County Farms	Farms	-4,404	0	0	0
4,500	County Offices	CO	4,568	0	0	0
718	Property Services	POD	545	0	0	0
22	Property Compliance	Propcomp	106	0	0	0
-11	Capital Team	Capital	-11	0	0	0
766	Strategic Assets	SAM	802	0	0	0
0	Grant Income	A&I	0	0	0	0
2,702			2,694	0	0	0
2,702	ASSETS & INVESTMENT TOTAL		2,694	0	0	0
 MEMORANDUM - Grant Income						
0	Commercial & Investment Grants	OPE	0	0	0	0
0			0	0	0	0

C&I APPENDIX 2 – Commentary on Forecast Outturn Position

Number of budgets measured at service level that have an adverse/positive variance greater than 2% of annual budget or £100,000, whichever is greater.

Service	Current Budget £'000	Forecast Variance - Outturn	
		£'000	%
There are no variances to report.			

C&I APPENDIX 3 – Grant Income Analysis

The table below outlines the additional grant income, which was not built into base budgets.

Grant	Awarding Body	Expected Amount £000
Grants as per Business Plan		0
Total Grants 2017/18		0

C&I APPENDIX 4 – Virements and Budget Reconciliation

	£000	Notes
Budget as per Business Plan	2,702	
Business Plan adjustments	44	
Transfer of Apprenticeship Levy from CS to C&I	6	
Transfer of Energy Team from C&I to ETE	-58	
Non-material grants (+/- £30k)	0	
Current Budget 2017/18	2,694	

C&I APPENDIX 5 – Reserve Schedule

1. Commercial and Investments Reserves

Fund Description	Balance at 31 March 2017	Movements in 2017/18	Balance as at 31 May 2017	Forecast Balance at 31 May 2017	Notes
	£'000	£'000	£'000	£'000	
Other Earmarked Funds					
Manor school site demolition costs	362	0	362	362	1
subtotal	362	0	362	362	
Short Term Provisions					
SPV provision	24	0	24	24	
subtotal	24	0	24	24	
SUBTOTAL	386	0	386	386	
Capital Reserves					
General Capital Receipts	0	6	6	0	2
subtotal	0	6	6	0	
TOTAL	386	6	392	386	

Notes

- 1 Rental income from Bellerbys buildings on Manor School site is being held to offset demolition costs when the lease expires in 2021.
- 2 Capital Receipts will be used to fund the capital programme at year-end.

C&I APPENDIX 6 – Capital Expenditure and Funding

Capital Expenditure

Commercial & Investment Capital Programme 2017/18						TOTAL SCHEME	
Original 2017/18 Budget as per BP £000	Scheme	Revised Budget for 2017/18 £000	Actual Spend 2017/18 £000	Forecast Spend - Outturn £000	Outturn Variance £000	Total Scheme Revised Budget £000	Total Scheme Forecast Variance £000
550	Shire Hall Campus	550	41	550	-	5,502	-
350	Local Plans Representations	350	79	350	-	3,902	-
500	County Farms Viability	621	73	621	-	3,353	-
600	A&I - Building Maintenance	600	28	600	-	5,579	-
-	- Other Committed Projects	20	-	20	-	225	-
-	- Renewable Energy Soham	775	1	775	-	9,994	-
113,476	Housing Schemes	112,209	235	112,209	-	183,226	-
482	MAC Joint Highways Project	482	-	482	-	5,198	-
-	- Office Portfolio Rationalisation	200	2	200	-	345	-
250	Energy Efficiency Fund	250	38	250	-	1,000	-
(550)	Capital Programme Variations	(683)	-	(683)	-	(133)	-
115,658	TOTAL	115,374	499	115,374	-	218,191	-

Previously Reported Exceptions

There are no previously reported exceptions for May month-end.

Capital Funding

Commercial and Investment Capital Programme 2017/18				
Original 2017/18 Funding Allocation as per BP £000	Source of Funding	Revised Funding for 2017/18 £000	Forecast Outturn Spend (May) £000	Forecast Outturn Funding Variance (May) £000
81,583	Capital Receipts	81,583	81,583	-
34,075	Prudential Borrowing	33,791	33,791	-
115,658	TOTAL	115,374	115,374	-

Previously Reported Exceptions

There are no previously reported exceptions for May month-end.